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AUG 17 2001

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In the Matter of	)	
Petition of WorldCom, Inc. Pursuant	)	
to Section 252(e)(5) of the	)	
Communications Act for Expedited	)	
Preemption of the Jurisdiction of the	)	CC Docket No. 00-218
Virginia State Corporation Commission	)	
Regarding Interconnection Disputes	)	
with Verizon Virginia Inc., and for	)	
Expedited Arbitration	)	
	)	
In the Matter of	)	CC Docket No. 00-249
Petition of Cox Virginia Telecom, Inc.	)	
	)	
In the Matter of	)	CC Docket No. 00-251
Petition of AT&T Communications of	)	
<u>Virginia Inc., etc.</u>	)	

**VERIZON VA'S DIRECT TESTIMONY ON MEDIATION ISSUES**  
(CATEGORIES I AND III THROUGH VII)

**RIGHTS OF WAY**

ALAN YOUNG

AUGUST 17, 2001

1  
2  
3 I. **INTRODUCTION**

4 **Q. PLEASE STATE YOUR NAME, TITLE AND BUSINESS ADDRESS.**

5 A. My name is Alan Young. I am employed by Verizon Services Corporation as  
6 Specialist – Federal Communications Commission (“FCC”) Regulatory and Legal  
7 Support, Joint Use and Licensing. My business address is 35 S. Haddon Avenue,  
8 Floor 2, Haddonfield, New Jersey 08033.

9  
10 **Q. PLEASE DESCRIBE YOUR EDUCATION (AND ANY OTHER WORK**  
11 **EXPERIENCE).**

12 A. I received a Bachelor of Science degree from Delaware Valley College of Science  
13 and Agriculture in Agronomy in 1972. Upon graduation from college, I began  
14 working for New Jersey Bell in the Construction Department. Since that time, I  
15 have held various positions within the Construction and Outside Plant  
16 Engineering departments. I assumed my current staff position in 1992. I have  
17 twenty-nine years of experience in the telecommunications industry, as an  
18 employee of Verizon and its predecessor companies.

19  
20 **Q. WHAT ARE YOUR RESPONSIBILITIES IN YOUR CURRENT**  
21 **POSITION?**

22 A. As Specialist – FCC Regulatory and Legal Support, Joint Use and Licensing, I am  
23 responsible for development, implementation and monitoring of policy and  
24 procedures for access to poles, ducts, conduit, and rights of way owned or

1 controlled by Verizon in the former Bell Atlantic South jurisdictions including the  
2 Commonwealth of Virginia.

3  
4 **Q. HAVE YOU EVER TESTIFIED BEFORE?**

5 A. No.

6  
7 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

8 A. Verizon VA, WorldCom and AT&T addressed these issues in mediation on  
9 August 2, 2001. The Parties resolved several of these issues both with language  
10 and in principle with language to be agreed upon. The purpose of my testimony is  
11 to present the positions of Verizon Virginia (Verizon VA) on the remaining issues  
12 pertaining to access to poles, ducts, conduit and rights of way that WorldCom and  
13 AT&T have raised in this arbitration. Specifically, my testimony will  
14 demonstrate that Verizon VA has established processes in place to handle all  
15 requests for access to poles, ducts, conduit and rights of way for all Competitive  
16 Local Exchange Carriers ("CLECs"), cable television ("CATV") providers, and  
17 telecommunications providers. Those processes have been administered by  
18 Verizon VA's Pole Conduit Licensing Center, a centralized group for Contracts  
19 and Agreements in Richmond, Virginia since 1998. Verizon VA uses a separate  
20 license agreement to provide nondiscriminatory access to poles, ducts, conduit  
21 and rights of way that sets forth terms and conditions that are very similar to those  
22 that WorldCom has proposed for inclusion in the Parties' interconnection  
23 agreement. Verizon VA, however, does not agree that it is in the best interest of

1       either WorldCom or Verizon VA to include terms and conditions for access to  
2       poles, ducts, conduit and rights of way in the Parties' interconnection agreement.  
3       Instead, those terms and conditions should be set forth in a separate license  
4       agreement.

5  
6       My testimony also addresses the issues upon which the Parties have agreed in  
7       principle but are still working on language. For these issues, any changes will be  
8       made to the language proposed in Verizon VA's standard license agreement. The  
9       primary issue to be arbitrated, however, is where the language will ultimately go--  
10      into the Interconnection Agreement or into a separate license agreement.

11  
12   **Q.    HOW DOES VERIZON VA PROVIDE ACCESS TO POLES, DUCTS,**  
13   **CONDUIT AND RIGHTS OF WAY?**

14   A.    Verizon VA uses a standard license agreement that is executed by all CLECs,  
15   CATV, and telecommunications providers and that details the license process for  
16   access to poles, ducts, conduit and rights of way.<sup>1</sup> Verizon VA currently has 136  
17   agreements with CATV Companies and 48 agreements with CLECS,  
18   telecommunications providers and independent telecommunications companies.  
19   Using this well-established process, Verizon VA licenses over 162,400 pole  
20   attachments and 1,648,800 feet of conduit as of the end of the first quarter 2001.

21  

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<sup>1</sup> A copy of this license agreement can be found in Exhibit D to Verizon VA's Answer to WorldCom, Cox, and AT&T Requests for Arbitration.

1     **Q.     DOES VERIZON VA CURRENTLY HAVE EXISTING LICENSE**  
2     **AGREEMENTS WITH WORLDCOM AND AT&T AFFILIATES**  
3     **GOVERNING ACCESS TO VERIZON VA'S POLES, DUCTS, CONDUIT**  
4     **AND RIGHTS OF WAY?**

5     A     Yes. For some time now Verizon VA has utilized a standard license agreement to  
6     govern the terms and conditions under which CLECs gain access to Verizon VA's  
7     poles, ducts, conduit and rights of way, with two exceptions. In 1997, Verizon  
8     VA agreed to incorporate those terms and conditions into the interconnection  
9     agreements with two companies-- MCI metro/ Access Transmission Services of  
10    Virginia, Inc. and AT&T Communications of Virginia, Inc.-- instead of utilizing  
11    the standard separate license agreements. After negotiating those terms and  
12    conditions for such access, Verizon VA then updated its standard license  
13    agreement that it has since offered to CLECs for access to its poles, ducts, conduit  
14    and rights of way. It should be noted, however, both WorldCom and AT&T have  
15    affiliates that currently use the standard separate license agreement to govern  
16    access to Verizon VA's poles, ducts, conduit and rights of way instead of insisting  
17    upon including terms and conditions in the Parties' interconnection agreements.

18  
19    **Q.     DOES VERIZON VA AGREE THAT TERMS AND CONDITIONS FOR**  
20    **ACCESS TO VERIZON VA'S POLES, DUCTS, CONDUIT AND RIGHTS**  
21    **OF WAY SHOULD BE MEMORIALIZED IN AN AGREEMENT?**

22    A.     Yes. Verizon VA disagrees, however, with WorldCom's proposal to include the  
23    terms and conditions within the Parties' interconnection agreement. Going

1 forward, the Parties should utilize separate license agreements for access to  
2 Verizon VA's poles, ducts, conduit and rights of way for several reasons.

3  
4 First, Verizon VA's position is that the Act does not require that these terms and  
5 conditions be incorporated into the interconnection agreement; it is sufficient for  
6 the interconnection agreement simply to reflect that such terms and conditions are  
7 set forth in a separate licensing agreement. Use of a separate license agreement  
8 also enables Verizon VA to more easily offer non-discriminatory access to  
9 CLECs seeking access to Verizon VA's poles, ducts, conduit and rights of way.  
10 A very detailed process and tracking system has been established in Virginia to  
11 ensure that nondiscriminatory access is provided to all applicants requesting  
12 access to poles, conduit and rights of way. That process includes the execution  
13 of a license agreement with each and every CATV, CLEC and  
14 telecommunications provider that requests access to poles, ducts, conduit and  
15 rights of way. Because CATV entities are entitled to the same rights of access as  
16 CLECs, the same license agreement is offered to all applicants, with identical  
17 terms and conditions. Interconnection agreements, however, are executed  
18 exclusively with CLEC entities and not CATV entities. Thus, Verizon VA uses  
19 the same license agreement for both entities, utilizing the same processes and  
20 organization to administer them and to provide nondiscriminatory access to both.

21  
22 Second, including such terms and conditions in the Parties' interconnection  
23 agreement poses many administrative problems for both parties. For example, the

1 interconnection agreement has a defined termination date as opposed to Verizon  
2 VA's license agreement which continues until terminated by WorldCom upon six  
3 months prior notice or other terminations detailed in agreement by WorldCom.  
4 Also, Verizon VA has well established groups fixed in Virginia that have  
5 responsibility for administering nondiscriminatory access to poles, ducts, conduit  
6 and rights of way. License agreements are maintained in Verizon VA's local  
7 office of Contracts and Agreement for future reference. When the agreement is  
8 executed, both parties provide contact information which ultimately establishes a  
9 very important record for contacts required to administer poles, ducts, conduit and  
10 rights of way for both parties. Verizon VA and the other parties have personnel  
11 who deal mainly with access to poles, ducts, conduit and rights of way. Many  
12 times these relationships are already established and placing the license agreement  
13 in the interconnection agreement confuses the issues on both sides. Once an  
14 agreement is properly executed, Verizon's local Virginia contracts and  
15 agreements organization logs in the agreement and applications may be processed  
16 for access. Applications are processed on a first come, first served basis;  
17 however, Verizon's local contracts and agreements organization does not process  
18 applications until it has an executed agreement on file. If the license agreement is  
19 in the interconnection agreement as WorldCom advocates, there will be delays in  
20 notifying Verizon's local contracts and agreements organization of a properly  
21 executed agreement.



1 In addition, utilizing a separate license agreement would not be difficult or  
2 burdensome for any party. As stated, WorldCom's and AT&T's subsidiaries  
3 already utilize such agreements. Moreover, as I noted below, I believe the  
4 standard license agreement can be modified to address WorldCom's concerns.  
5

6 Finally, the license agreement has state specific provisions regarding the forms  
7 and detailed processes used. If terms and conditions that are typically the content  
8 of license agreements are voluntarily incorporated into interconnection  
9 agreements, some CLECs might argue that, pursuant to the Merger Conditions,  
10 they could opt into those terms and conditions in different states, where the terms  
11 and conditions should not or could not apply. To avoid this result, Verizon VA  
12 would never be able to agree voluntarily to such terms and conditions, but would  
13 be forced to arbitrate them in any and all interconnection agreements. The best  
14 way to avoid this problem is for the interconnection agreement simply to reflect  
15 that the terms and conditions are contained in a separate license agreement.  
16

17 **Q. HOW DID VERIZON VA ESTABLISH ITS CURRENT STANDARD**  
18 **LICENSE AGREEMENT?**

19 A. On February 8, 1996, when the Telecommunications Act of 1996 ("Act") was  
20 passed, Verizon VA separately negotiated with AT&T and WorldCom to  
21 establish terms and conditions to gain access to poles, ducts, conduit and rights of  
22 way. The two agreements have very similar terms and were merged to create

1 Verizon VA's standard license agreement presently offered in Virginia.<sup>2</sup> Such  
2 consistency of terms, conditions and timeframes by state is entirely consistent  
3 with the Act and the Commission's subsequent Orders. With the established state  
4 specific processes outside of the interconnection process, Verizon VA is able to  
5 administer the entire licensing process in a nondiscriminatory manner. Verizon  
6 VA can provide access to all parties at parity when only one process is followed,  
7 including the negotiation and signing of the agreement with Verizon VA's local  
8 Contracts and Agreements organization. This process would be confusing when  
9 some agreements are included in the interconnection agreement while others are  
10 with the local administrators. The entire process cannot be incorporated into the  
11 interconnection agreement because not all the companies gaining access to poles  
12 and conduit wish or need to have interconnection agreements.

13  
14 **Q. IS THE STANDARD LICENSE AGREEMENT COMPLIANT WITH THE**  
15 **ACT?**

16 A. Yes, Verizon VA's license agreement is compliant with the Act. Indeed, with the  
17 possible exception of a few terms and conditions, WorldCom seems to agree to  
18 the substance of Verizon VA's license agreement and has not contended that  
19 Verizon VA's license agreement is contrary to the Act or applicable law.

20  

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<sup>2</sup> A similar agreement, with some specific differences, is offered in West Virginia, Maryland, Pennsylvania, New Jersey and Delaware, as well as the District of Columbia. Different agreements, however, are used in New York, in New England, and in the former GTE jurisdictions.

1     **Q.     BRIEFLY DESCRIBE THE STATUS OF ISSUE III-13(B) AS IT RELATES**  
2     **TO VERIZON VA'S EFFORTS TO PROVIDE WORLDCOM WITH**  
3     **DOCUMENTATION SUPPORTING A CLAIM THAT VERIZON VA**  
4     **DOES NOT OWN OR HAVE AUTHORITY TO GRANT ACCESS TO A**  
5     **GIVEN POLE, CONDUIT OR RIGHT OF WAY.**

6     A.     Verizon VA and WorldCom addressed this issue in mediation on August 2. The  
7     Parties agreed to the following language for § 2.4 of the ultimate agreement:

8             To the extent required by Applicable Law, VZ shall grant Licensee  
9             nondiscriminatory access to VZ's Poles, Conduits and Rights of  
10            Way. This obligation extends to Poles, Conduits and Rights of  
11            Way VZ owns and with respect to which VZ has the right to  
12            authorize the occupancy of Licensee's Facilities. In cases of Poles,  
13            Conduits and Rights of Way VZ owns, but with respect to which  
14            VZ does not have the right to authorize the occupancy of  
15            Licensee's Facilities, to the extent required by Applicable Law, VZ  
16            shall reasonably cooperate with Licensee to permit Licensee to  
17            obtain a right of occupancy for Licensee's Facilities, subject to  
18            VZ's right to provide a reasonable technical evaluation of the  
19            requirements for such occupancy to the property owner or other  
20            authorized person. Such reasonable cooperation by VZ shall not  
21            obligate VZ to purchase a right of occupancy for, or right to  
22            authorize the occupancy of, Licensee's Facilities. Upon reasonable  
23            request by Licensee, VZ will provide any documentation that is not  
24            confidential or privileged in its possession supporting a claim that  
25            it does not own or have authority to grant access to a given Pole,  
26            Conduit, or Right of Way. To the extent that VZ has such  
27            supporting documentation in its possession that is confidential or  
28            privileged, VZ will make that documentation available subject to  
29            reasonable conditions to protect proprietary information.

31           The Parties have agreed to this language in principle. Verizon VA awaits  
32           WorldCom's ultimate approval.

1   **Q.    BRIEFLY DESCRIBE THE STATUS OF ISSUE III-13(C) AS IT RELATES**  
2           **TO WHEN VERZION VA MAY REQUIRE A BOND OR OTHER**  
3           **FINANCIAL SECURITY TO GUARANTEE THE PERFORMANCE OF**  
4           **WORLDCOM'S OBLIGATIONS UNDER THE AGREEMENT.**

5    A.    Verizon VA and WorldCom addressed this issue in mediation on August 2. The  
6           Parties agreed to the following language for § 3.3:

7                   At such time that Licensee's net worth (as defined under generally  
8                   accepted accounting principles, hereinafter "Net Worth") fails to  
9                   exceed \$100,000,000, VZ may require a bond in a form  
10                  satisfactory to VZ or other financial security satisfactory to VZ, in  
11                  such amount as VZ from time to time may reasonably require, to  
12                  guarantee the performance of all Licensee obligations under this  
13                  Agreement. Licensee's provision of the bond or financial security  
14                  shall not operate as a limitation upon the obligations of Licensee  
15                  hereunder; and if Licensee furnishes a deposit of money pursuant  
16                  to this section, such deposit may be held during the continuance of  
17                  this Agreement at the option of VZ as security for any and all  
18                  amounts which are or may become due to VZ under this  
19                  Agreement.

20  
21          The Parties have agreed to this language in principle. Verizon VA awaits  
22          Worldcom's ultimate approval.

23  
24   **Q.    BRIEFLY DESCRIBE THE STATUS OF ISSUES 111-13 AND III-13(C) AS**  
25           **IT RELATES TO VERIZON VA'S CHANGING OF FEES AND**  
26           **CHARGES.**

27    A.    Verizon VA, WorldCom and AT&T addressed this issue in mediation on August  
28           2. The Parties agreed to the following language for § 3.4 of their ultimate  
29           agreement:

30                   On an annual basis, changes in the amount of the fees and charges  
31                   identified in Appendix I may be made by VZ upon at least 60 days

1 prior written notice to Licensee in the form of a revised Appendix  
2 I, and Licensee agrees to pay such changed fees and charges  
3 provided that they are in accordance with this Agreement. Any  
4 such changes to fees and charges shall be either agreed upon by  
5 VZ and Licensee or, in the alternative, pursuant to the formula  
6 promulgated by the Federal Communications Commission  
7 (hereinafter "FCC") for the Attachment of Licensee's Facilities to  
8 VZ's Poles or pursuant to the formula promulgated by the FCC for  
9 the placement of Licensee's Facilities in VZ's Conduits.

10  
11 The Parties have agreed to this language in principle. Verizon VA awaits  
12 WorldCom's and AT&T's ultimate approval.

13  
14 **Q. BRIEFLY DESCRIBE THE STATUS OF ISSUE III-13(D) AS IT RELATES**  
15 **TO WHEN VERIZON VA MAY REQUIRE ADVANCE PAYMENTS.**

16 A. Verizon VA and WorldCom addressed this issue in mediation on August 2. The  
17 Parties agreed to the following language for § 4.1 of the Parties ultimate  
18 agreement:

19 At such time that Licensee's Net Worth fails to exceed  
20 \$100,000,000, Licensee shall be required to make an advance  
21 payment to VZ prior to:

22  
23 a) any undertaking by VZ of a Preliminary Survey or the  
24 administrative processing of such a survey, in an amount sufficient  
25 to cover the estimated charges for completing the specific work  
26 operation required, and

27  
28 b) performance by VZ of any Make-Ready work required, in  
29 an amount sufficient to cover the estimated charges for completing  
30 the required Make-Ready work.

31  
32 The Parties have agreed to this language in principle. Verizon VA awaits  
33 WorldCom's ultimate approval.

1     **Q.     BRIEFLY DESCRIBE THE STATUS OF ISSUE III-13(E) AS IT RELATES**  
2     **TO WORLDCOM'S OBLIGATION TO CORRECT OF SAFETY**  
3     **VIOLATIONS.**

4     A.     Verizon VA and WorldCom addressed this issue in mediation on August 2. The  
5     Parties agreed to the following language for § 5.2 of their ultimate agreement:

6             Licensee shall correct all material safety violations within ten (10)  
7             days from receipt of notice from VZ. Licensee shall correct all  
8             other non-standard conditions within thirty (30) days from receipt  
9             of written notice from VZ. If Licensee does not correct any  
10            violation or non-standard condition within the aforementioned time  
11            limits, VZ may at its option correct said violations or conditions at  
12            Licensee's sole expense and risk.

13  
14     The Parties have agreed to this language in principle. Verizon VA awaits  
15     WorldCom's ultimate approval.

16  
17    **Q.     BRIEFLY DESCRIBE THE STATUS OF ISSUE III-13(F) AS IT RELATES**  
18    **TO WHEN WORLDCOM MUST SUBMIT EVIDENCE OF LAWFUL**  
19    **AUTHORITY TO CONSTRUCT, OPERATE AND MAINTAIN ITS**  
20    **FACILITIES.**

21    A.     Verizon VA and WorldCom addressed this issue in mediation on August 2. The  
22    Parties agreed to the following language for § 6.1 of their ultimate agreement:

23             Before Licensee attaches Licensee's Facilities to Poles, or occupies  
24             Conduits or Rights of Way, Licensee shall be responsible for  
25             obtaining from appropriate public and private property owners and  
26             authorities any authorization required to construct, operate and  
27             maintain Licensee's Facilities. Evidence of Licensee's having  
28             obtained lawful authority to so construct, operate and maintain  
29             Licensee's Facilities shall be submitted to VZ within ten (10)  
30             business days.

1 The Parties have agreed to this language in principle. Verizon VA awaits  
2 WorldCom's ultimate approval.

3  
4 **Q. BRIEFLY DESCRIBE THE STATUS OF ISSUE III-13(H) AS IT**  
5 **RELATES TO PRELICENSE SURVEYS AND MAKE-READY WORK.**

6 A. Verizon VA and WorldCom addressed this issue in mediation on August 2. The  
7 Parties agreed to the following language for § 8.2 of their ultimate agreement:

8 a) The field inspection portion of the Prelicense Survey,  
9 which requires the visual inspection of such structures or property,  
10 shall be performed by VZ (with participation by Licensee at its  
11 option, for which VZ shall provide at least 48 hours advance  
12 notice). At its option, VZ may permit Licensee to perform the  
13 field inspection survey subject to a quality check by VZ. VZ shall  
14 also perform the administrative processing portion of the  
15 Prelicense Survey, which includes the processing of the  
16 application, the preparation of the Make-Ready Work orders (if  
17 necessary), and the notification of work requirements to other  
18 attachers and occupants (if necessary).

19  
20 b) VZ shall make commercially reasonable efforts to advise Licensee  
21 in writing of the estimated charges that will apply for its Prelicense  
22 Survey work no later than ten (10) days from receipt of Licensee's  
23 application. VZ shall receive written authorization from Licensee  
24 before undertaking such work (Appendix II, Form B-1).  
25 Alternatively, Licensee may pay VZ the estimated charges that will  
26 apply for a Prelicense Survey with its submission of an application  
27 provided that VZ has advised Licensee that standard estimated  
28 charges exist for the type of application that is being submitted.

29  
30 The Parties have agreed to this language in principle. Verizon VA awaits  
31 WorldCom's ultimate approval.

1 In addition, WorldCom will be proposing to Verizon VA language changing § 8.5  
2 of the agreement. Verizon VA has not yet received this language but is confident  
3 that the Parties are in agreement.  
4

5 **Q. BRIEFLY DESCRIBE THE STATUS OF ISSUE III-13(I) AS IT RELATES**  
6 **TO WORLDCOM'S OBLIGATION TO OBTAIN PRIOR WRITTEN**  
7 **AUTHORIZATION FROM VERIZON VA APPROVING OF THE WORK**  
8 **AND THE PARTY PERFORMING SUCH WORK BEFORE WORLDCOM**  
9 **MAY INSTALL, REMOVE, OR PROVIDE MAINTENANCE OF ITS**  
10 **FACILITIES IN ANY OF VERIZON VA'S CONDUITS OR CONDUIT**  
11 **SYSTEMS.**

12 **A.** Verizon VA and WorldCom addressed this issue in mediation on August 2. The  
13 Parties agreed to the following language for § 9.4 of their ultimate agreement:

14 Licensee must obtain prior written authorization from VZ  
15 approving of the work and the party performing such work before  
16 Licensee may install, remove, or provide maintenance of its  
17 Facilities in any of VZ's Conduits or Conduit Systems. VZ shall  
18 not unreasonably withhold or delay such authorization. In the case  
19 of an emergency, however, Licensee may proceed without written  
20 authorization after notifying VZ.  
21

22 The Parties have agreed to this language in principle. Verizon VA awaits  
23 WorldCom's ultimate approval.  
24

25 **Q. BRIEFLY DESCRIBE THE STATUS OF ISSUE III-13(I) AS IT RELATES**  
26 **TO OVERLASHING.**



1 A. Verizon VA and WorldCom addressed this issue in mediation on August 2. The  
2 Parties agreed to the following language for § 9.9 of their ultimate agreement:

3 VZ shall not attach, nor authorize other entities to attach, facilities  
4 on, within or overlashed to existing Licensee Facilities without  
5 Licensee's prior written consent. Notwithstanding any other clause,  
6 Licensee may overlash additional communications facilities to  
7 existing strand so long as such overlashed plant is installed in  
8 accordance with the engineering standards of Article V. Licensee  
9 shall give VZ sixty (60) days advance notice of overlashing projects.  
10 Notice is not required for repair and restoration activity. Licensee's  
11 notice of planned overlashing shall be in the form of maps showing  
12 the location of poles and their associated numbers so that Verizon  
13 can identify where the work is taking place. Licensee will notify VZ  
14 within 30 days after completion of overlash projects subject to post-  
15 installation inspections of Article XI.  
16

17 The Parties have agreed to this language in principle. Verizon VA awaits  
18 WorldCom's ultimate approval.  
19

20 **Q. BRIEFLY DESCRIBE THE STATUS OF ISSUE III-13(I) AS IT RELATES**  
21 **TO WORLDCOM'S ACCESS TO MANHOLES.**

22 A. Verizon VA and WorldCom addressed this issue in mediation on August 2. The  
23 Parties agreed to the following language for § 9.10 of their ultimate agreement:

24 VZ's Manholes shall be opened only as permitted by VZ's  
25 authorized employees or agents, which permission shall not be  
26 unreasonably withheld or delayed. Licensee shall be responsible  
27 for obtaining any necessary authorization from appropriate  
28 authorities to open Manholes and conduct work operations therein.  
29 Unless otherwise agreed between the Parties, Licensee's  
30 employees, agents and contractors will be permitted to enter or  
31 work in VZ's Manholes only when an authorized employee or  
32 agent of VZ is present or prior written authorization waiving this  
33 requirement is granted by VZ. VZ's said employee or agent shall  
34 have the authority to suspend Licensee's work operations in and  
35 around VZ's Manholes if, in the reasonable judgment of said  
36 employee or agent, any hazardous conditions arise or any unsafe

1 practices are being followed by Licensee's employees, agents, or  
2 contractors. Licensee agrees to pay VZ the charges, as determined  
3 in accordance with the terms and conditions of Appendix I, for  
4 having VZ's employee or agent present when Licensee's work is  
5 being done in and around VZ's Manholes. The presence of VZ's  
6 authorized employee or agent shall not relieve Licensee of its  
7 responsibility to conduct all of its work operations in and around  
8 VZ's Manholes in a safe and workmanlike manner, in accordance  
9 with the terms of this Agreement.

10  
11 a) Upon reasonable request where space is available, VZ will  
12 provide Licensee with space in VZ's Manholes for racking and  
13 storage of cable and other materials of the type that VZ stores in  
14 VZ's Manholes.

15  
16 b) Licensee, contracting with VZ or a contractor approved by  
17 VZ, shall be permitted to add Conduit parts to VZ's Manholes or  
18 to add branches to Conduits when existing Conduits do not provide  
19 the connectivity required by Licensee, provided that the structural  
20 integrity of the Manhole and Conduits is maintained and sound  
21 engineering judgment is employed. VZ shall not unreasonably  
22 withhold, delay or deny approval of contractors.  
23

24 The Parties have agreed to this language in principle. Verizon VA awaits  
25 WorldCom's ultimate approval.  
26

27 **Q. BRIEFLY DESCRIBE THE STATUS OF ISSUE III-13(L) AS IT RELATES**  
28 **TO IMPROPER ATTACHMENT OR OCCUPANCY OF VERIZON VA'S**  
29 **FACILITIES BY WORLDCOM WITHOUT APPROVAL OR LICENSE**  
30 **FROM VERIZON VA.**

31 A. Verizon VA and WorldCom addressed this issue in mediation on August 2. The  
32 Parties agreed to the following language for § 12.1 of their ultimate agreement:

33 If any of Licensee's Facilities shall be found attached to Poles, or  
34 occupying Conduit or Right of Way, for which no license has been  
35 granted, VZ without prejudice to its other rights or remedies under  
36 this Agreement or at law or in equity may require Licensee to

1 submit an application pursuant to Article VII of this Agreement  
2 within thirty (30) days after receipt of written notification from VZ  
3 of the unauthorized Attachment or occupancy. If such application  
4 is not received by VZ within the specified time period, Licensee  
5 may be required to remove its unauthorized Attachment or  
6 occupancy, or VZ may, at VZ's option, remove Licensee's  
7 Facilities at Licensee's sole expense and risk. In addition, Licensee  
8 shall pay any unauthorized Attachment or occupancy charge as  
9 specified in Appendix I.  
10

11 The Parties have agreed to this language in principle. Verizon VA awaits  
12 WorldCom's ultimate approval.  
13

14 **Q. BRIEFLY DESCRIBE THE STATUS OF ISSUE III-13(M) AS IT**  
15 **RELATES TO WHEN VERIZON VA MAY BE GRANTED A SECURITY**  
16 **INTEREST IN ALL OF WORLDCOM'S FACILITIES ATTACHED TO**  
17 **VERIZON VA'S POLES, OR PLACED IN VERIZON VA'S CONDUIT**  
18 **SYSTEMS OR RIGHTS OF WAY.**

19 A. Verizon VA and WorldCom addressed this issue in mediation on August 2. The  
20 Parties agreed to the following language for Article 13 of their ultimate  
21 agreement:

22 At such time that Licensee's Net Worth fails to exceed  
23 \$100,000,000, Licensee shall grant VZ a security interest in all of  
24 Licensee's Facilities now or hereafter attached to Poles, or placed  
25 in Conduit Systems or Rights of Way, pursuant to this Agreement,  
26 and Licensee agrees to perform all acts necessary to perfect VZ's  
27 security interest under the terms of the Uniform Commercial Code,  
28 or applicable lien or security laws then in effect. If the terms of  
29 Licensee's loan agreements and debentures preclude the grant of  
30 liens or security interests to VZ, Licensee shall grant to VZ, upon  
31 VZ's request, other permissible assurance or security for  
32 performance, satisfactory to VZ, to cover any amounts due VZ  
33 under this Agreement. Nothing in this Article shall operate to  
34 prevent VZ from pursuing, at its option, any other remedies under

1                   this Agreement or in law or equity, including public or private sale  
2                   of facilities under security interest or lien.  
3

4                   The Parties have agreed to this language in principle. Verizon VA awaits  
5                   WorldCom's ultimate approval.  
6

7   **Q.     BRIEFLY DESCRIBE THE STATUS OF ISSUE III-13(Q) AS IT**  
8                   **RELATES TO TERMINATION OF THE PARTIES' AGREEMENT.**

9   A.     Verizon VA and WorldCom addressed this issue in mediation on August 2. The  
10           Parties agreed that WorldCom would submit language to Verizon VA for Article  
11           19 describing terms of enforcement. Verizon VA has not yet seen this language.  
12

13   **Q.     BRIEFLY DESCRIBE THE STATUS OF ISSUE III-13(Q) AS IT**  
14                   **RELATES TO CHANGES OF LAW.**

15   A.     Verizon VA and WorldCom addressed this issue in mediation on August 2.  
16           Verizon VA has proposed that the Parties agree to adopt the same change of law  
17           provision that is ultimately incorporated adopted for their interconnection  
18           agreement.  
19

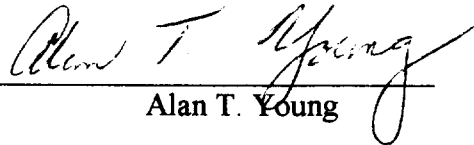
20   **Q.     DOES THIS CONCLUDE YOUR TESTIMONY?**

21   A.     Yes.

**Declaration of Alan T. Young**

I declare under penalty of perjury that I have reviewed the foregoing panel testimony and that those sections to which I testified are true and correct.

Executed this 17<sup>th</sup> day of August, 2001.

  
Alan T. Young